



OFFICE OF  
CHIEF COUNSEL

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

MEMORANDUM FOR: Steven Musher  
Associate Chief Counsel (International)

FROM: Matthew W. Frank, APA Program Director

DATE: April 14, 2006

SUBJECT: APA Quarterly Report for FY 2006,  
Second Quarter Ending 3/31/06

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The following are the APA Program's results for the second quarter of FY 2006 ("Q2").

**APAs Completed**

The APA Program completed 14 APA matters in Q2, consisting of 11 bilateral APAs and 3 unilateral APAs.

**Negotiating-Position Papers**

The APA Program completed 12 bilateral negotiating position papers in Q2.

**Annual Reports**

The APA Program completed its review of and closed 6 annual reports in Q2.

**New Matters**

The APA Program received 48 new APA matters in Q2, including 29 bilateral and 19 unilateral APAs. There were 6 withdrawals during Q2.

**APA Inventory**

The APA Program has an ending inventory of 270 open matters.<sup>1</sup> This consists of 208 bilateral and 62 unilateral matters.<sup>2</sup>

Attached is the APA issuance report and open inventory reports as of March 31, 2005. Please contact me at (202) 435-5222 if additional information is required.

Respectfully submitted,

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Matthew W. Frank  
APA Program Director

Attachments

cc: LMSB Commissioner  
Director, International  
National Director of Appeals  
LMSB Division Counsel

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1. This equals beginning Q2 inventory of 242 matters, plus 48 receipts, less 14 closures and 6 withdrawals  $\{242 + 48 - 14 - 6 = 270\}$ .
  2. The 270 open matters include 48 pending dollar filings (32 bilateral and 16 unilateral). Thus
    - The APA Program has an inventory of 222 active cases, i.e., 270 open matters less 48 pending dollar filings.
    - The 222 active cases consist of 176 bilateral cases (208 total bilateral matters less 32 pending bilateral dollar filings) and 46 unilateral cases (62 total unilateral matters less 16 pending unilateral dollar filings).
    - The APA Program has forwarded 105 of the 208 active bilateral matters to Competent Authority. Thus, the APA Program has a current working inventory of 149 cases, consisting of 103 bilateral (208 active bilateral cases less 105 forwarded to Competent Authority) and 46 active unilateral cases.